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From High School to Work in Japan: Lessons for the United States?

The *Social Service Review* Lecture

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Youth employment problems have received considerable public and scholarly attention in the United States in recent years. A chief concern is the worsening situation of high school-educated youth versus their college-educated counterparts in terms of wages, turnover rates, and unemployment. Japan has been cited as an example of a country that demonstrates how high school-employer linkages can facilitate the successful and stable transition from high school to work. This article explains this system of linkages and critically evaluates its operation and results.

The problems of American urban public high schools have received much popular and scholarly attention in recent years. High rates of absenteeism, high dropout rates, and a widening wage gap between high school and college graduates present a troubling picture of the educational and labor market fates of many young people. Japan has often been cited in the context of these discussions as an example of a country with a well-established, efficient system of connecting new high school graduates to employers; such a system purportedly motivates students to perform well in high school so that they can be recommended for the “good” jobs in the local economy.¹ But despite strong interest, there is an embarrassing paucity of empirical studies on the process through which Japanese high school graduates apparently move smoothly into niches in the economy and a paucity as well of studies that evaluate the positive and negative aspects of that process. Such a scarcity makes policy recommendations for the United States based on the Japanese case difficult at best and risky at worst.

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In this article, I ask whether the Japanese system holds the key to establishing a successful transition from high school to work and to ameliorating associated problems in the labor market for less educated youth in the United States or whether the Japanese system is a mirage for U.S. educational analysts and policy makers. Because I report research in progress, my central purpose here is to stimulate thinking on this question rather than to attempt a definitive answer. I draw on fieldwork and data collection conducted in Japan in fall 1995, winter 1996, and again in fall 1997. Although this article can only reflect a small portion of the research, it is my intent to convey some of the complexities that should be considered in arguments for transposing the highly structured Japanese system to the American context.

American High School Graduates in the Labor Market

In recent years, a number of issues have become increasingly salient in the youth labor market in the United States, especially in industrial cities of the midwest and northeast that historically had a high concentration of manufacturing jobs. Labor economists have shown that the 1980s witnessed a substantial decline in the real wages of low-skilled, male workers (high school graduates or dropouts) and a widening gap between the wages of these workers and university graduates.² Low-skilled workers also show much higher probabilities of unemployment than high-skilled workers. Economists have suggested a number of reasons for these trends. Major structural changes in the American economy include the movement of manufacturing jobs to countries with lower labor costs and the bifurcation of the service sector into high-paying, knowledge-intensive jobs, on the one hand, and low-paying, low-skill, monotonous jobs, on the other.

The increasing disparity between the labor market fates of highly educated and less educated workers is much less evident in Japan.³ The wage gap is not as wide as in the United States nor are educational differentials in employment rates. Japan's labor force appears to be better able to absorb people at the lower end of the educational spectrum, people who have increasingly fallen out of the system in the United States and have become unemployed or employed in very low-wage jobs. Moreover, few Japanese enter the workplace without a high school education. About 95 percent of Japanese youth currently graduate from high school, the vast majority doing so within 3 years. The figure for the United States hovers around 85 percent (including General Equivalency Diplomas [GED]) and is lower still in major urban areas.

Some observers have claimed that Japan's ability to absorb less educated youth into the economy and the high rates of high school completion are not coincidental phenomena. Recently, a number of American scholars and educational policy makers have credited Japanese high

schools for these positive outcomes, citing the institutionalized mechanisms through which the transition from high school to work is carried out. In particular, attention has been paid to the implicit contracts that Japanese high schools have with local employers to hire some of their graduates each year. Comparative survey data indicate that Japanese high school seniors are about 4.5 times as likely as their American counterparts to find their first post-high school, full-time job with the assistance of their school.⁴ Japanese high school students' job search is also more focused within one field or industry than is the case for Americans. Also, by the end of the school year, Japanese high schools typically report perfect or near-perfect job placement rates for their non-college-bound graduating seniors.

Does Japan, therefore, offer a solution to organizing and managing the youth labor market in the United States? This is both a very important policy question and an important theoretical question. This point is made by James Rosenbaum and Takehiko Kariya in the seminal article in English on the Japanese transition from high school to work: "Free markets are the basis of youth employment policy in the U.S. For matching youth to jobs, we trust markets and mistrust institutions. We accept the market assumption that hiring is best done directly between youth and employers, while intervening institutions (like schools) are viewed as bureaucratic, unresponsive to productivity needs, and easily distorted by political pressure."⁵ In other words, if a highly managed job-matching process truly is a better way of organizing the labor market, there are many implications regarding the positive role that institutions can play in the labor market. The Japanese example is a good test case.

From High School to Work, Japanese Style

Currently, about 40 percent of graduating Japanese high school seniors matriculate to junior colleges or universities. Another 35 percent either become *ronin* (literally, "masterless samurai," students who study for at least one additional year to retake university entrance examinations) or attend *senmon gakkō*, private 2-year schools that offer training in specialized subjects, ranging from fashion design to computer science. The remaining 25 percent or so of students go directly into the labor market.

In order to recruit new junior high school or high school graduates, Japanese employers are legally required to provide a detailed description of their job openings to the local public employment security office. Given that Japan has achieved near-universal rates of advancement to high school, this legal framework now applies mainly to work-bound high school seniors. Job listing forms are standardized nationally and can be submitted by employers any time after June 20 each year for openings available to students graduating and entering the labor market the fol-

lowing spring. (The Japanese school year typically ends in early February, and new graduates begin employment in April.) The public employment security office must approve the job description and working conditions, and employers are permitted from July onward to deliver personally or to send the notices of job openings to high schools from which they are interested in recruiting. Teachers in the career guidance section of each school then counsel work-bound students as to the appropriateness of specific companies and jobs for them.⁶

Students cannot contact employers or apply directly to jobs; rather, they must receive their school's recommendation before being invited for an interview by the employer. Most schools will select only one student to recommend for a given job in order to forestall direct competition between multiple students for the most desirable jobs. Even so, competition can occur between students at different schools if the employer has submitted multiple copies of the job opening notice to different schools. The school recommendations are forwarded to firms beginning in early September, at which point the interviewing and selection process begins. Informal employment commitments can only legally be announced after October 1.

To an outside observer, it may seem puzzling how employers select schools from which to attempt labor recruitment. An important point to keep in mind is that students have already been extensively sorted at the point of high school entrance, and student ability at individual schools is, therefore, much more homogeneous than is the case in the United States.⁷ Compulsory education in Japan ends with junior high school, and admission to public high school is governed largely by one's score on the prefectural standardized entrance examination and, to a lesser extent, by junior high school grades. Within each school district, there is a finely graded hierarchy of public, general academic high schools. There are also private academic high schools and public vocational high schools. Consideration for admission to these is not governed by residence in the local school district as is the case with the public, general academic high schools.

Public knowledge about the "quality" of different high schools is very extensive. Private publishing companies release statistics on the minimum standardized test scores for students entering different high schools, which is the best single indicator of a school's academic quality. The government publishes a thick volume of statistics each year on the number of university-bound and work-bound students at every high school in the nation, and this gives employers a very accurate picture of which schools will have large numbers of seniors looking for jobs.

The job placement rate for graduating seniors is typically very high or perfect by the time the senior cohort graduates, a point to which I return below. It thus appears that the highly structured process accomplishes

job matches for virtually every high school senior who plans to work after graduation. But is this truly the case? And if so, how and why does the process work so well?

How to Measure “Success”

Efficient Job Placement

To evaluate the enviable record of Japanese high schools’ job placement for graduates, as well as a number of other statistics, it is necessary to consider how the figures are calculated. My fieldwork in Japan involved visits to 20 urban public high schools, including 14 general academic high schools and six industrial vocational high schools. My research indicates that there are important differences in the transition from high school to work for general and vocational schools, yet American perceptions of the Japanese situation have not distinguished between these two settings. For that reason, I restrict my focus to materials gathered in general academic high schools.

The general academic schools in my sample rank in the bottom one-third of schools in their districts in terms of the minimum standardized test scores required for entrance. As some Japanese informants commented to me, students at these schools are, in some sense, equivalent to dropouts in the American high school system; they have performed at low levels in their school career so far and are very unlikely to progress on to university. Whereas the top schools in each district may send 50 percent of their students to university (and many more if one includes *ronin*), the schools I visited typically send only 2–5 percent of their graduates to university. They are, thus, an apt comparison with those urban American high schools that have low rates of student advancement to higher education. Three-quarters of the schools in my sample are in the Yokohama and Kawasaki areas of Kanagawa prefecture, southwest of Tokyo. This area was chosen because it has traditionally been a manufacturing area and, therefore, constitutes a good comparison with large midwestern cities in the United States in terms of recent deindustrialization trends. The other one-fourth of schools are in Miyagi prefecture, northeast of Tokyo; I exclude these from this article.

The schools in my sample provide ample evidence of the diversity of student outcomes among Japanese high schools and also reveal the surprising paucity of information that exists about a certain segment of the graduates from low-ranking schools. There is little regional variance in Japan’s high school dropout rate but considerable variance within a given school district. At none of the high schools in my sample did school officials provide statistics on dropping out, but some teachers rather surreptitiously pointed out to me that I could estimate such figures from the

information provided in the standard school information booklets that list sophomore, junior, and senior class sizes. Although American observers generally comment only on the low average dropout rate in Japan (around 6%), the rates at the high schools I visited reach as high as 15–20 percent. This remains far lower than rates for the most troubled of American urban public high schools but is much higher than the nationwide Japanese average and, therefore, calls into question the standard American interpretation of highly successful Japanese schooling.

Regional and national statistics on the job placement rate published by the Ministry of Labor give the impression of high schools' unqualified success in launching work-bound students into the labor market, with placement rates often reaching 100 percent. Several teachers in my sampled schools noted that high schools are legally required to send monthly figures to the local public employment agency showing the number of incipient graduating seniors for whom they were able to find jobs. Students with strong academic records and good interviewing skills typically are successfully placed early in the year so that as time wears on, those remaining are the students who are harder to place. In the later months of the senior year, the placement figures decline as students become discouraged. At some point, some of these students give up their job search and decide either to go on to *senmon gakkō* or to look for a job on their own. In such cases, it is possible that the guidance section of the school will remove them from the category of "job seekers," thus, removing them from the denominator used to calculate placement statistics. This artificially inflates the success rate just as the removal of "discouraged workers" from the calculation of an unemployment rate would make that rate much lower than it otherwise would be.

It is not immediately clear where job-seeking students who dropped out of the process ultimately appear in the statistics. In the education guidebooks issued by private publishers for public consumption, up to 40 percent of the graduating seniors in some schools are listed as "*ronin*, etc." At the top-ranked schools, the majority of this 40 percent are indeed *ronin*, but at the bottom schools, the vast majority are instead in the "etc." category—students who neither found jobs with the help of their school nor are higher education bound. It is probable that some of these students will have entered low-skilled part-time or even full-time jobs in the service sector without help from their teachers even before leaving school. The majority of high schools I visited either had a prohibition against students working while they were still enrolled or had had such a prohibition in the recent past. However, teachers frankly explained to me that despite this restriction, the majority of students in their schools were employed in *arubeito* (part-time jobs) or even full-time evening jobs. These jobs include legitimate ones as well as lucrative but less socially acceptable jobs, such as working in bars or entertainment

establishments. These students represent a population over which teachers do not exert the traditional social control of recommending good jobs as reward for high grades and responsible school behavior.

In summary, one must consider carefully the interschool variation in dropout rates alongside the low average dropout rate in Japan. It is also important to examine how job placement statistics are constructed before American policy makers rush to the conclusion that Japanese high schools smoothly guide all students into jobs.

Meritocratic Job Placement

As noted earlier, it is important to consider that the Japanese labor recruitment regime takes place within the context of a highly stratified secondary school system. Rosenbaum and Kariya have argued that Japanese teachers privilege grades in matching students to jobs and that the system is, therefore, highly meritocratic.⁸ However, the teachers I interviewed stressed two other attributes in addition to grades: attendance at school and club activities. These are, in fact, much closer to the attributes that Samuel Bowles and Herbert Gintis claimed 25 years ago channel working-class youth into working-class jobs in the United States.⁹

Even if one does accept that grades are the most important selection criterion used by Japanese teachers, one still must consider how the competition for jobs has been structured at the institutional level. Job offers go to the high school as a unit, and students have been rigorously sorted into their particular school. Any student who had trouble in junior high school or on the standardized high school entrance examination has, therefore, circumscribed his or her future irretrievably. Prior to my interviews at high schools, I had thought that, as Rosenbaum and Kariya state, "schools compete with each other to maintain or increase their shares of capable employees and the dependability of this supply."¹⁰ This strongly implies that high schools' reputations are based on the jobs that they are able to secure for their graduates. If this were the case, then students would be sorting themselves into high schools based on their preference for entering the labor market versus continuing on to higher education. Yet, when I asked teachers at the low-level, urban, public, general high schools on what their school's reputation is based, I repeatedly heard the same answer: it is based on the number of students they send to university. The causal argument made in the American literature that Japanese high schools compete with one another in the market for good jobs and, thereby, attract students based on this capacity, was not borne out by my interviews. Instead, students apparently go to schools with high proportions of work-bound students because those are the only schools they can get into. This means that the incentive structure is different from that perceived by American observers. The claim that a central aspect of the system is that schools use their access to local employers as a

basis for competing with one another to attract students is not an accurate depiction of the reality.

Conclusion

The purported efficiency of the highly institutionalized Japanese system must be critically evaluated. Summary statistics on dropout rates from Japanese high schools disguise the intricate ranking of public high schools in each school district. The lowest ranked schools face student retention problems not unlike those in many American public high schools, despite the incentive (i.e., teacher recommendations of students to employers) students have to stay in school. The efficiency of the placement system also needs to be studied at the microlevel—at the level where placement statistics are produced—so that one can determine how many graduating seniors fall through the cracks. The proportions of graduating seniors at low-ranking high schools for whom the school has no information are very high in some cases, a fact that has been missed by American educational policy makers eager to seize on Japanese successes. Finally, the system's efficiency should be placed in the context of high Japanese economic growth rates in the 1970s and 1980s and the persistence of a healthy manufacturing sector. The downturn in the Japanese economy in the 1990s and the upturn in the post-1995 American economy offer fertile testing ground for assessing the role that macroeconomic conditions play in both countries' employment success with less educated youth. Changing economic conditions in both countries offer the potential to tease out the extent to which Japanese schools and a favorable economy share the credit for low youth unemployment.

In evaluating how meritocratic the Japanese system is, one must recognize that the hierarchical organization of Japanese high schools and the central reliance on test scores in junior high school structure the competition for good jobs in a way that is very foreign to Americans. Before analyzing how teachers in Japanese high schools make recommendation decisions, it is necessary to consider this first level of screening, when the door to particular high schools is opened or shut. If the entrance examination and accompanying counseling regarding the school a student should try to enter are not strongly linked to parental socioeconomic background, then the degree of meritocracy at the high school admission stage is high. But this is not entirely clear, and there are indications that this achievement-based sorting is, in fact, closely correlated with family socioeconomic background.¹¹ If this is the case, then it does not make sense to claim that the job placement system is meritocratic, even if teachers do indeed rely mainly on high school performance. The contest has been predetermined by the fact that job offers go to schools rather than directly to students without any intermediary.

Finally, one must take note that the Japanese job-placement system was

established by the national government and is administered by a dense network of local public employment agencies. Although I am only in the initial stages of looking into the history of the origins of the system, it was set up earlier in the twentieth century with at least two principal aims: to help efficiently allocate labor across the country by matching labor supply from the schools to labor demand in industry, and to protect young people from labor exploitation. It is not a grassroots system *created* through school-employer partnerships. Rather, school-employer communication and the tripartite arrangement among employers, public employment agencies, and schools are dictated by the framework of Japanese labor law that requires the public employment agency to approve employers' requests and prohibits employers from advertising jobs for new high school graduates on the "open market." Employers must go to the schools to recruit labor. Many of the teachers with whom I spoke began their interview with comments along the following lines: According to labor law, the public employment agency is the only place that can handle the employment of new junior or senior high school graduates; the agency then gives this task to the schools. In other words, the practice of finding jobs for students is not necessarily work that teachers want to do but work that they must do. Within this context, the provisional conclusion from my fieldwork is that teachers put tremendous effort into trying to "do well" by their students. Likewise, the incentives for students to try to perform well in school are high if teachers—through whatever mechanism—are able to control access to many of the good jobs in the economy. However, two of the crucial questions for the United States are whether we think it is possible and desirable for teachers to control this access and, if so, how that can be effected in local contexts rather than through a set of national legal guidelines, as the latter would almost certainly be politically infeasible given America's decentralized educational system. These, then, are among the important issues raised by Japan's highly centralized job-placement system.

Notes

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